

STATE OF CALIFORNIA
Budget Change Proposal - Cover Sheet
DF-46 (REV 08/15)

Fiscal Year 2016/17	Business Unit 3720	Department California Coastal Commission	Priority No. SFL-2
Budget Request Name 3720-005-BCP-BR-2016-GB		Program VARIOUS	Subprogram

Budget Request Description
Relocation of South Coast District Office

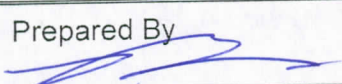
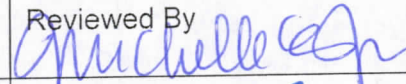
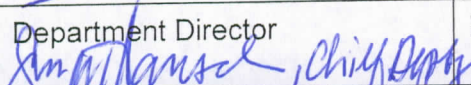
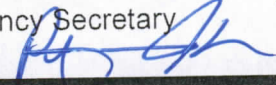
Budget Request Summary

The Coastal Commission requests \$451,000 from the General Fund to be used for one-time moving and set up expenses for the relocation of the South Coast District Office in Long Beach and ongoing General Fund funding of \$411,000 for increased rent.

The owner of the building, where the South Coast District Office is currently housed, has given notice to the Department of General Services that the lease will not be renewed under any circumstances.

Requires Legislation <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Code Section(s) to be Added/Amended/Repealed	
Does this BCP contain information technology (IT) components? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>If yes, departmental Chief Information Officer must sign.</i>	Department CIO	Date
For IT requests, specify the date a Special Project Report (SPR) or Feasibility Study Report (FSR) was approved by the Department of Technology, or previously by the Department of Finance. <input type="checkbox"/> FSR <input type="checkbox"/> SPR Project No. Date:		

If proposal affects another department, does other department concur with proposal? ☐ Yes ☐ No
Attach comments of affected department, signed and dated by the department director or designee.

Prepared By 	Date 3/24/16	Reviewed By 	Date 3/24/2016
Department Director 	Date 3/24/2016	Agency Secretary 	Date 3/24/16

Department of Finance Use Only

Additional Review: ☐ Capital Outlay ☐ ITCU ☐ FSCU ☐ OSAE ☐ CALSTARS ☐ Dept. of Technology

BCP Type: ☐ Policy ☐ Workload Budget per Government Code 13308.05

PPBA Original Signed by Amanda Martin	Date submitted to the Legislature 4-1-16
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A. Budget Request Summary

The Coastal Commission requests \$451,000 from General Fund to be used for one-time moving and set up expenses for the relocation of the South Coast District Office in Long Beach and ongoing funding of \$411,000 for increased rent.

B. Background/History

The Coastal Commission is charged with implementing the California Coastal Act of 1976 (<http://www.coastal.ca.gov/coastact.pdf>). The Coastal Act was enacted by the Legislature to carry out the original mandate of Proposition 20, which was passed by the citizens of California in 1972. Proposition 20 created the Coastal Zone Conservation Commission, which both performed an interim regulatory function and created the Coastal Plan for consideration by the Legislature in the drafting of the Coastal Act.

The Coastal Act establishes strong resource protection and coastal development policies for California's coastal zone, which extends 3 miles seaward to the outer extent of state jurisdiction, and which on land can be as narrow as several blocks in certain urban areas and up to 5 miles inland in rural areas.

The Coastal Commission plans and regulates the use of land and water in the coastal zone. Development activities, which are broadly defined by the Coastal Act to include (among others) construction of buildings, divisions of land, and activities that change the intensity of use of land or public access to coastal waters, generally require a coastal permit from either the Coastal Commission or the local government. To ensure that coastal resources are effectively and timely protected in light of changing circumstances, district offices are located in close proximity to coastal cities and counties.

The Coastal Commission maintains six regional district offices: North Coast, North Central Coast, Central Coast, South Central Coast, South Coast, and San Diego Coast to provide accessibility to, and participation by, the public. The South Coast District Office serves Los Angeles and Orange counties.

Currently the South Coast District Office occupies 7,841 square feet at 200 Oceangate Avenue, 10th Floor, Long Beach, CA. The lease expires November 30, 2018 with a right for the state to terminate after May 31, 2015.

Molina Health purchased the two buildings located at 200 and 300 Oceangate Avenue with the intent of Molina Health occupying the buildings and has given DGS notice that the lease will not be renewed under any circumstances.

The current office relocation project schedule approved by the Department of General Services (DGS) anticipates the final site selection, construction, and ordering of equipment and furniture to take place in mid to late FY16/17.

C. State Level Considerations

The Coastal Commission maintains regional offices to provide accessibility to and participation by the public so that they will be better served. The South Coast District Office is located in the south coastal area to serve Los Angeles and Orange counties. Long Beach is in close proximity to both counties. The South Coast District Office manages one of the highest workloads of all the Coastal Commission's district offices. The Long Beach location is ideal to service the areas the Coastal Commission is assigned to monitor.

Although moving the South Coast District office is not specifically called out in the Coastal Commission's 2013 – 2018 Strategic Plan, the relocation of the South Coast District in Long Beach will support Strategic Plan objectives of improving public information and services to the public (Objective 5.2) by having an office in a location that serves the densely populated areas of Los Angeles and Orange counties.

D. Justification

The Coastal Commission's South Coast District Office is required to move as the owner of the building where our current lease is held has given notice to DGS that the lease will not be renewed under any circumstances.

Funding is needed to meet the costs associated with the required move and ongoing increased lease costs of a new larger facility. One-time costs include construction activities, tenant improvements, moving expenses, furnishings, equipment, cabling, and data processing equipment.

The South Coast District Office serves Los Angeles and Orange counties. Long Beach is in close proximity to both counties. Staff must attend frequent site visits and meet with the public and other governmental entities. The downtown Long Beach area has several public transportation options to help facilitate these interactions.

The South Coast District Office manages one of the highest workloads of all the Coastal Commission's district offices. Staffing levels have grown since we obtained the current space, and the size of the office does not meet our needs. Also, the current file space is inadequate for the large quantity of active files that must be accessed on a daily basis by our staff.

The FY 2016 Governor's Budget includes increased baseline funding that supports the increased staffing levels at the South Coast District office. Because staffing levels have grown, space is a concern. Therefore, this request includes the cost for additional office space and a larger file space for a total of 11,452 square feet. Obtaining this square footage will allow the Coastal Commission adequate office space for current and proposed staffing increases and current and future active file volume. It will also create an increase in Coastal Commission's rent costs.

Analysis of Problem

In addition, the current location has mostly “built-in” office furniture. As a result, there is an added expense of both purchasing and installing new modular systems furniture, as well as conventional office furniture for the private offices.

The proposed total for one-time moving and set up expenses for the relocation is \$451,000.

The current rent rate of \$2.47 per square foot with 7,841 net usable square feet creates an annual rent expense of approximately \$232,428. The proposed monthly rent rate of \$4.50 per net usable square foot with 11,452 square feet, full service gross, including a \$20 per square foot tenant improvements allowance and an additional \$50 per square foot in additional tenant improvements amortized over the firm term increases the annual rent expense to approximately \$643,000 for FY 17/18 rent costs. Therefore, there will be an ongoing rent increase of \$411,000 starting in FY17/18.

Attachment 1 provides a breakdown of costs associated with this project.

E. Outcomes and Accountability

Approval of this proposal would allow the Coastal Commission to relocate to a new space in the South Coast area and install all necessary security, data, and communication systems as well as set up modular and conventional furniture including necessary standard office equipment. Staff would have sufficient office and meeting spaces to perform their work. The South Coast District Office will provide accessibility to and participation by the public so that they will be better served.

F. Analysis of All Feasible Alternatives

Alternative No. 1: Preferred Alternative:

Authorize \$451,000 one-time funds for moving/setup costs and \$411,000 for ongoing increased rent costs.

- Move the South Coast District Office to a new location within Long Beach
- Lease a larger office space to accommodate increased staff level
- Lease a larger file space to accommodate a high volume of active files

The requested funding would include moving costs, installation expenses, and necessary tenant improvements for the selected office building and ongoing increased rent costs. All monies would originate from the General Fund. This alternative would be the most effective and enable the office to relocate within Long Beach to an office that would accommodate increased staff level and high volume of active files. In addition, it would provide the most accessibility to the public and local governments and would allow the Coastal Commission to continue to serve the South Coast area effectively.

Analysis of Problem

Alternative No 2

Provide enough General Fund funding to move the South Coast District office to a new office space of similar or reduced size with the approximately the same rental costs. The implications for this would be:

- Possible staff layoffs
- Constrained work space for existing employees
- Limited space to accommodate file storage needs.

This alternative would have one-time moving and set-up costs but avoid using additional General Funds for ongoing lease costs. This would compromise the ability of the Coastal Commission staff to carry out its mission in the South Coast area to its fullest potential.

Alternative No. 3

Deny request for one-time funds for moving/setup costs and ongoing increased rent costs

- Closure of the South Coast District Office.
- Staff layoffs
- Reallocate the workload to other District Offices, This would result in:
 - Increase in the workload backlog
 - Less space for workload files
 - Increased travel costs for site visits
- The public and local governments will travel to other District Offices (two closest District Offices-Ventura and San Diego)
 - Increased travel time and costs to the public and local governments

This alternative would avoid using additional General Funds. However, denial of this request would result in closure of the South Coast District Office.

This would compromise the ability of the Coastal Commission to carry out its mission in the South Coast area.

G. Implementation Plan

This augmentation would be available July 1, 2016, or upon enactment of the budget.

H. Supplemental Information

None.

I. Recommendation

The Coastal Commission recommends Alternative 1, to authorize additional General Funds funding for the relocation of the South Coast District Office and ongoing increased lease costs for the additional office space.

BCP Fiscal Detail Sheet

BCP Title: Relocation of South Coast Office

DP Name: 3720-010-BCP-DP-2016-A1

Budget Request Summary

	FY16					
	CY	BY	BY+1	BY+2	BY+3	BY+4
Operating Expenses and Equipment						
5324 - Facilities Operation	0	0	411	411	411	411
539X - Other	0	451	0	0	0	0
Total Operating Expenses and Equipment	\$0	\$451	\$411	\$411	\$411	\$411
Total Budget Request	\$0	\$451	\$411	\$411	\$411	\$411

Fund Summary

Fund Source - State Operations

0001 - General Fund

	0	451	411	411	411	411
Total State Operations Expenditures	\$0	\$451	\$411	\$411	\$411	\$411
Total All Funds	\$0	\$451	\$411	\$411	\$411	\$411

Program Summary

Program Funding

2730019 - Local Coastal Program

	0	451	411	411	411	411
Total All Programs	\$0	\$451	\$411	\$411	\$411	\$411